

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2005-10 and 2010-15 policies to M/s. Maa Mahamaya Industries Limited, R.L.Peta, Vizianagaram District for their existing and proposed expansion project – Orders – Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.67

Dated:08-07-2011

Read the following:-

1. G.O.Ms.No. 219, Industries & Commerce Department, Dated: 28.03.2006
2. From the Managing Director M/s. Maa Mahamaya Industries Limited, R.L.Peta, Vizianagaram District Letter No. Nil, dated 26.07.2010, 03.08.2010, 12.08.2010.
3. From the Commissioner of Industries, A.P., Hyderabad letter No.10/3/09/2690/2690, dated 20.8.2010.
4. Minutes of the SLC meeting held on 23.09.2009
5. Government Memo No. 12783 /IP/A2/2009 dated 20.09.2010
6. State Investment Promotion Committee Meeting held on 10.02.2011
7. State Investment Promotion Board Meeting held on 23.02.2011.

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ORDER:-

In the G.O. 1st read above, orders were issued extending the following incentives to that specific unit i.e. M/s. Maa Mahamaya Industries Pvt. Ltd., Vizianagaram District only, as the unit is located in backward district:-

- (1) Making line of activity “Mini Steel Plant” eligible for incentives under Industrial Investment Promotion Policy 2005-2010.
- (2) Rs.0.75 per unit concession in the power cost upto 2010 under Industrial Investment Promotion Policy 2005-2010.
- (3) 25% of VAT reimbursement for a period of 5 years under Industrial Investment Promotion Policy 2005-2010.

2. In the reference 2nd read above, the Managing Director of M/s. Maa Mahamaya Industries Limited (MMIL) informed that they have set up Mini Steel Plant with an investment of Rs.187 Crores at Vizianagaram and the project was commissioned on 1st October 2006, with production capacity of about 1,25,000 TPA liquid steel and finished products of about 1,25,000 TPA hot rolled TMT bars and 20 MW captive power plant.

3. Now, the company proposed to expand of existing steel plant at Vizianagaram with a capacity of 0.25 MTPA with major facilities like DRI Plant, Induction Furnace, Ladle Furnace, Billets/Bloom Caster, Galvanizing Line and captive power plant of 30 MW with an investment of Rs. 1088.4 Crores and requested for the following benefits for their expansion project and also all other benefits for the existing unit as per the IIPP 2005-10.

- a. To provide reimbursement of at least 15% of the total project cost in the form of infrastructure subsidy.
- b. To provide 220 KV / 132 KV Power Supply to the door step of the unit.
- c. To provide coal linkage from M/s SCCL & Iron Ore linkage from M/s NMDC.
- d. To provide 100% reimbursement of Stamp Duty on purchase of land
- e. To provide power reimbursement at Rs.1.50 per unit
- f. To Provide VAT Reimbursement @100% for 10 years.

4. In the reference 3rd cited, the Commissioner of Industries was requested the Government to issue clarification for sanction of incentives other than reimbursement of power cost and reimbursement of sales tax paid which are already permitted to avail by M/s. Maa Mahamaya Industries Limited vide G.O. 1st read above.

5. State Investment Promotion Committee (SIPC) has examined the proposals and decided to place the matter before the State Investment Promotion Board (SIPB) with the certain recommendations.

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6. State Investment Promotion Board in its meeting held on 23.02.2011 examined the proposal in detail and decided to extend the following incentives to the Company:

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- a. 50% VAT& CST/ SGST reimbursement for a period of 5 years for the expansion project from date of commencement of commercial production
- b. All other incentives except power cost reimbursement as per the IIPP 2010-15 Policy.
- c. With regard to the existing unit, the Board felt that once the line of activity "Mini Steel Plant" is made eligible for incentives under IIPP 2005-10 vide G.O.Rt.No.219, dated: 28.03.2006, they would be entitled for all the incentives available under the Policy, apart from the two incentives mentioned in the G.O. Accordingly, the SIPB decided to recommend the unit for all the other incentives apart from the two incentives mentioned in the order.

7. Government after careful examination of the proposal and in view of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to that specific unit i.e. M/s. Maa Mahamaya Industries Pvt. Ltd., Vizianagaram Dist :

- (a) 50% VAT& CST/ SGST reimbursement for a period of 5 years for the expansion project from date of commencement of commercial production
- (b) Incentives under the Industrial Investment Promotional Policy 2010-15 Policy for the expansion Unit, except power cost reimbursement:
 - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry of purchase of land meant for industrial use;
 - (ii) 100% reimbursement of Stamp duty for mortgages and hypothecations;
 - (iii) 50% Reimbursement of cost involved in skill upgradation and training the local manpower limited to Rs.2000 per person and preference shall be given to locals in providing employment; and
 - (iv) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
- (c) Incentives to the existing unit as per IIPP 2005-10 apart from the two incentives already sanctioned in the G.O.Rt.No.219 Ind. & Com. (IP) Dept., dated. 28.3.2006 for the existing unit:-
 - (i) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore as per guidelines;
 - (ii) 100% Stamp Duty reimbursement on the lands meant for industrial use;
 - (iii) Reimbursement of 25% of expenditure incurred for Cleaner Production Measures limited to Rs.5.00 Lakhs; and
 - (iv) Reimbursement of 50% of expenses incurred for Quality Certification limited Rs.1.00 Lakh.

8. The Commissioner of Industries, A.P., Hyderabad shall take necessary action, accordingly and instruct the General Manager, District Industries Centre, Vizianagaram to intimate the status of the progress of work done by the unit from time to time.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

T.S. APPA RAO,
PRINCIPAL SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner of Industries, A.P., Hyderabad.

M/S.Maa Mahamaya Industries Ltd, Vizianagaram District, through the Commissioner of Industries, AP, Hyderabad.

The District Collector, Vizianagaram District.

Copy to:

The Revenue (CT/ Registration) Department.

The Energy Department./ The Law Dept.

The Ind. & Com. (INF) Department./Irrigation & CAD (PW Reforms) Dept.

Contnd.....3

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The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The General Manager, District Industries Centre, Vizianagaram District

P.S. to Secretary to Chief Minister

P.S. to Minister(Major Industries, Sugar, C&EP)

P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

SC/SF

// Forwarded:: By:: Order //

SECTION OFFICER